

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

PUBLIC SERVICES – Treasuries and Accounts Department – Fraudulent drawal of Rs.37,18,910/- under Military pensions on fake Pension Payment Orders by imposters in eight Districts viz. Visakhapatnam, Guntur, Cuddapah, Adilabad, Nizamabad, Medak, Nalgonda and Mahaboobnagar Districts - Departmental Proceedings and Criminal Proceedings against the Treasury staff in eight Districts – Release of DCRG by withholding the amount of loss that occurred to the Government exchequer on account of the alleged action of the Charged Officers as apportioned by the DTA against each Charged Officer without prejudice to the Departmental Proceedings and Criminal Proceedings pending against them, keeping in view of the financial hardship facing by the retired Charged Officers – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Rt.No. 3442

Dated: 22-09-2009

Read the following:-

1. DTA Lr.No.K1/10296/2001, dated 02-09-2005.
2. Representation of the A.P. Treasuries and Accounts Gazetted Services, Association, Hyderabad dated 3-9-2005.
3. Representation of A.P. Treasury Services Association dated 02-8-2006.
4. Joint Action Committee of Treasuries and Accounts Department, dated 10-08-2006.
5. Representation of Joint Action Committee of Employees, Teachers and workers' Andhra Pradesh, dated 14-8-2006.
6. Representation of A.P. Treasury Services Association dated 17-11-2006.
7. Representation of A.P. Treasury Services Association dated 01-12-2006.
8. DTA Lr.No.K1/10296/2001, dated 14-12-2006.
9. Govt. D.O.Lr.No.47684/261/A2/Admn.I/99, Dated 05-06-2008.
10. Addl. DGP, CID Lr.No.4020/C3/CID/2001, dated 23-06-2008.
11. Govt. D.O.Lr.No.47684/261/A2/Admn.I/99, Dated 17-07-2008.
12. Govt. D.O.Lr.No.47684/261/A2/Admn.I/99, Dated 18-10-2008.
13. Govt. D.O.Lr.No.47684/261/A2/Admn.I/99, Dated 10-02-2009.
14. Addl. DGP, CID Lr.No.4020/C3/CID/2001, dated 02-04-2009.

ORDER:

The fake Pension Payment Orders under Military pensions were received by the Treasury Department in Visakhapatnam, Guntur, Cuddapah, Adilabad, Nizamabad, Medak, Nalgonda and Mahaboobnagar Districts and an amount of Rs.37,18,910/- was fraudulently drawn by the bogus military pensioners.

2. The Chief Controller of Defence Accounts [Pensions], Allahabad has issued various instructions for verification of the PPOs issued by them. DTA also reiterated and issued instructions from time to time. According to the instructions, the following verification is essential for Pension Payment Orders.

1. Whether the PPO is received by the payment authority through authorized channel i.e., ensuing effective check of the postal seal embossed on the envelopes in order to ascertain the name of station from where it was posted.
2. Ensure that the PPO is issued by the Pension Sanctioning Authority.
3. Fake PPOs were marked 'Pension Certificate Copy' on the top instead of "ORIGINAL" [PDA Copy]
4. The signature should be ink signed not in rubber stamp.
5. The specimen signatures should be tallied with the specimen signatures circulated by the CCDA[P], Allahabad.
6. Whether the Rubber stamp of the Officer concerned with his name and code number is affixed on the PPO.

7. It should be confirmed that the PPO forms were generated on Computer. The fake PPOs were in different forms.
8. The PPO is marked debit 'CIVIL ESTIMATES'
9. It should be confirmed that the PPOs are bearing uncolored seal [Embossed].
10. It should be verified that the imprint of the uncolored seal is matching with the specimen circulated by the CCDA [P].
11. The District Sainik Welfare Officer has to identify the new pensioners and two old defence pensioners drawing pensions in the same treasury, who introduce the new defence pensioner
12. The PPOs should be dispatched through local delivery/post, but not handed over to the pensioners.
13. Check the PPO and details mentioned therein with the list of PPO received from PPO issuing authority. In case of doubt it should be verified with the CCDA [P] either through written Communication or fax/telephone.
14. Payment shall be authorized only when Treasury Officer is personally satisfied that pensioner is genuine.

3. Departmental Proceedings were initiated against the Treasury employees, who have not followed the guidelines issued by the Chief Controller of Defence Accounts [Pensions], Allahabad. The departmental inquiry against all the employees involved in this case was completed. The enquiry report was communicated to all the Charged Officers along with show cause notices as to why a punishment of withholding of pensionary benefits should not be imposed under Rule 9 of A.P. Revised Pension Rules 1980 in respect of the retired employees and why suitable punishment should not be imposed under Rule 9 of A.P. Civil Services (CC&A) Rules in respect of in-service employees.

4. The following lapses were observed on the part of the Treasury employees:

- Not followed the clear instructions of the CCDA/DTA while verifying the documents submitted by the Bogus Military pensioners.
- Some of the PPOs were processed in no time i.e. within a day or two.
- Basic verifications such as tallying the signatures of the authorized officers of Defence along with emblems and official paper used by the CCDA office were not done.
- The PPOs filled by using a type writer instead of computer were also accepted. The fake PPOs were in different forms.
- The District Sainik Welfare Officer has to identify the new pensioners and two old defence pensioners who introduce the new defence pensioner. It was not followed in these cases.
- New pensioners were introduced to the Banks by the treasury persons for opening of an Account which was against the instructions prescribed.
- The descriptive rolls of fake pensioners showed that a group of persons submitted these fake documents to different District Treasuries and same persons were found to have submitted claims in different names. The misappropriations were committed with ease and the manner in which the cases were proceeded give rise to the suspicion that persons who were aware of the procedures both in CCDA office and District Treasury/Sub-treasuries colluded with the accused.

- Senior Accounts Officer [Pension] O/o the Principal Controller of Defence Accounts [Pensions], Allahabad clarified that the DTO concerned was personally responsible for the fake payments if any.
- For the lapses of non-verification of fake PPOs as per the procedure, the embezzlement took place. The recovery aspect has not mentioned in the equity.

5. Further, Criminal cases were also filed in the respective Districts. The CB CID has investigated the cases. The investigation report of the CID reveals that the Treasury Staff have intentionally evaded and failed to follow the guidelines and procedure issued in Circular No.K1/5026/728, dated 17-02-79 of Director of Treasuries and Accounts of A.P., Hyderabad and Circular No. AT/TECH/FAKE/334 Volume-I, dated 08-12-93, 08-09-94, 19-10-94 and 2-12-96 issued by Chief Controller of Defence (Pensions) Allahabad circulated to all DTOs and STOs by the Director of Treasuries and Accounts to A.P., Hyderabad and conspired with accused Parsinath Singh @ Arun Singh and his associates in sanctioning military pensions on the fake pension payment orders. The CID has filed charge sheets in the competent courts of jurisdiction against the accused Treasury employees besides the imposters who had drawn the Government money and cases are under trial.

6. The scope of the criminal trial is to determine whether an offence has been committed, while that of departmental inquiry is to determine whether a public servant has committed a misconduct or delinquency. In a criminal trial the prosecution will have to prove the case beyond all reasonable doubt, while in a departmental proceedings, the standard of proof is preponderance of probability. Thus, in a given case, the evidence may fall short of proof of a criminal offence in a court of law but yet the self-same evidence could be sufficient to establish the charge of misconduct in disciplinary proceedings. The Supreme Court in the case of Delhi Cloth and General Mills Ltd. Vs. Kushal Bhan (AIR 1960 SC 806) observed that it cannot be said the “**principles of natural justice require that an employer must wait for the decision at least of the criminal trial court before taking action against an employee.**” They, however, added that “**if the case is of a grave nature or involves questions of fact or law, which are not simple, it would be advisable for the employer to await the decision of the trial court, so that the defence of the employee in the criminal case may not be prejudiced**”. Keeping, in view of the misconduct exhibited by the Treasury employees in processing fake defence PPOs received by them and the Criminal Proceedings are going on, it was felt that the further action in Departmental Proceedings may be taken after completion of Criminal Proceedings against the Charged Officers.

7. In their representations, the Joint Action Committee of Employees, Teachers and Workers’ Andhra Pradesh and the A.P. Treasury Services Association have stated that an inter-state gang has fraudulently drawn Military Pension by producing, fake PPOs. The accused in the Military pension case has pleaded guilty and has been convicted. There is no mention of involvement of Treasury personnel in the Offence by the accused. The innocent treasury personnel were put to hardships by criminal proceedings against them attributing collusion with the accused. They were arrested and then released on bail.

8. Further, the Joint Action Committee of Employees, Teachers and Workers’ Andhra Pradesh and the A.P. Treasury Services Association have informed that the Charged Officers who have retired from service are suffering from with various serious ailments and unable to take proper medical treatment due to lack of funds and waiting for pensionary benefits due to them for performing the marriages of their children. Many of their children are pursuing higher studies. But they are unable to pay fee and provide books. In short, their life has become miserable for no fault of theirs. Their pensionary benefits of around Rs.5-6 lakhs of each person are held for more than 6-7 years.

9. Therefore, the Joint Action Committee of Employees, Teachers and Workers’ Andhra Pradesh and the A.P. Treasury Services Association have requested the Government to drop further action in the case on the following grounds.

1. The main accused in the case has pleaded guilty before the court and convicted for Rigorous imprisonment.
2. The accused confessed the offence and given names of other persons involved in committing offences.
3. The accused did not confess that any treasury person colluded with him in the offence or he shared the amount of fraudulent drawn with them.
4. The case diary of C.B., CID reveals that the accused persons in the case have themselves fraudulently drawn and distributed the amount themselves.
5. The name of any treasury persons is not figuring in F.I.R investigation, confessions of accused or case diary of C.B., CID.
6. There is no evidence procured or available to prove the involvement of treasury personnel in the crime. Therefore they are falsely implicated by the C.B., CID authorities.
7. Due to timely action of treasury personnel only the accused has been convicted and further loss to the Government is avoided
8. Treasury personnel are not involved in the forgery and also they do not have mechanisms to check the forgery committed.
9. Moreover, the Judicial Magistrate of 1st Class Sanga Reddy, Medak District as well as Judicial Magistrate of 1st Class Nizamabad District in their Judgment have mentioned that the Culprit himself accepted the offence and stated that some other Associates who have instigated or abated him to commit these offences, but did not mention the names of any Treasury Person.
10. Government have examined the matter in detail and reviewed the progress of criminal cases pending in various courts in consultation with the CID and also discussed with the A.P. Treasury Service Association. The A.P. Treasury Service Association have requested to hold up the amounts recoverable and release the other amounts to the accused officers as most of them retired and they are in dire need of the terminal benefits.
11. Government, after careful examination of the matter hereby reject the request of the Associations for dropping of the criminal action against the accused Treasury employees as the Criminal Proceedings initiated by the CID are in advanced stage.
12. Government, further keeping in view of the financial hardship facing by the retired Charged Officers, hereby order to release the DCRG in respect of those who have retired from service and those who have expired duly withholding the amount of loss that occurred to the Government exchequer on account of the alleged action of the Charged Officers, which was apportioned by the DTA against each Charged Officer without prejudice to the Departmental Proceedings and Criminal Proceedings pending against them.
13. The Director of Treasuries and Accounts shall take necessary further action in the matter and report compliance.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**SHAMSHER SINGH RAWAT
SECRETARY TO GOVERNMENT (FP)**

To

The individuals through the Director of Treasuries and Accounts, A.P., Hyderabad.

The Director of Treasuries and Accounts, A.P., Hyderabad.

Copy to:

The Secretary, A.P. Vigilance Commission, Secretariat, Hyderabad.

The Addl. DGP, CID, Hyderabad.

The Chairman, JAC of Employees, Teachers and Workers' Andhra Pradesh,
5-9-1112, Chaitanya, Gun foundry, Hyderabad – 500 029.

The President, A.P. Treasury Service Association, Hyderabad.

:: FORWARDED BY ORDER ::

SECTION OFFICER